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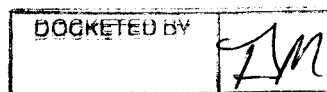
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Arizona Corporation Commission REFER TO FILE NO. 1234-28-18

**DOCKETED**

JUL 09 2012

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007



Re: Annual Avoided Cost and Revised Net Metering Service Tariff Filing  
Mohave Electric Cooperative, Incorporated  
Docket No. E-01750A-11-0261

Dear Docket Control Supervisor:

This filing is made on behalf of Mohave Electric Cooperative, Incorporated ("Mohave") pursuant to Decision No. 72589 and Mohave's Net Metering Service ("NMS") Tariff. As approved, Mohave's NMS tariff provides, in pertinent part:

The Cooperative will submit an updated Net Metering Service Tariff to the ACC no later than July 15 each year for approval of the Annual Average Avoided Cost. The current avoided kWh cost, once approved by the ACC, will be available at every Cooperative office and will continue in effect until the next AAAC is effective, which shall be December 1st following the annual filing of an updated Net Metering Service Tariff, unless suspended or otherwise ordered by the Commission, prior thereto.

Attached hereto is Mohave's updated NMS Tariff, together with the calculation of Mohave's Annual Average Avoided Cost for calendar year 2011. The revised NMS Tariff contains two changes:

1. The "Annual Purchase Rate (¢/kWh)" on page 4 changes from the current \$0.03912 to \$0.0338, to reflect Mohave's Annual Average Avoided Cost for calendar year 2011; and
2. The new effective date on page 1 changes from December 1, 2011 to December 1, 2012.

Docket Control  
July 9, 2012  
Page 2

This filing is made in Docket No. E-0175A-11-0261 (instead of opening a new docket) because the revisions to both the Annual Purchase Rate and the effective date are authorized pursuant to Decision No. 72589 and the current NMS Tariff. As noted, the new NMS Tariff will automatically take effect as of December 1, 2012, unless suspended or otherwise ordered by the Commission prior thereto.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. P. Sullivan', with a long horizontal flourish extending to the right.

William P. Sullivan  
Michael A. Curtis  
For the Firm

WPS/maw

Enclosures: Net Metering Tariff  
Calculation of Annual Average Avoided Cost

cc: Tyler Carlson (with enclosures)

MOHAVE ELECTRIC COOPERATIVE, INC.  
Bullhead City, Arizona

**SCHEDULE NMS  
NET METERING SERVICE**

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**Effective Date:** This Tariff is effective December 1, 2012 pursuant to Arizona Corporation Commission Decision No. 72589.

**Availability**

Net Metering service is available to all end-use retail customers of the Cooperative with metered kWh usage with a qualifying Net Metering Facility that uses Renewable Resources, a fuel cell or combined heat and power (CHP) to produce electricity at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the sites served. Service is subject to the rules and regulations of the Cooperative. This service is also referred to as Partial Requirements Service.

**Application**

Under Net Metering the electric energy generated by or on behalf of the member from a qualifying Net Metering Facility and delivered to the Cooperative's distribution facilities may be used to offset electric energy provided by the Cooperative during the applicable billing period as specified in this Tariff. Service under this Tariff is subject to: installation of a bidirectional meter; availability of enhanced metering and billing system upgrades; the rated capacity of the customer's Net Metering Facility not exceeding the Cooperative's service capacity; and the customer complying with all of the Cooperative's interconnection standards. The customer shall also be required to sign and complete a Net Metering Application prior to being provided Net Metering Service. A customer that installs a Net Metering Facility is not required to take service under this Tariff, but still must comply with the Cooperative's interconnection standards.

**Type of Service**

Electric Sales to the Cooperative must be single phase or three phase, 60 Hertz, at one standard voltage as may be selected by customer (subject to availability at the premises).

**Definitions**

Definitions below and contained in A.A.C. R14-2-2302 (some of which are set forth below) apply to Net Metering offered under this Tariff.

1. Annual Average Avoided Cost ("AAAC") means the average annual wholesale fuel and energy costs per kWh charged by the Cooperative's wholesale power supplier(s) during the calendar year, determined based upon the Cooperative's audited financial statement for the applicable Calendar Year. The Cooperative will submit an updated Net Metering Service Tariff to the ACC no later than July 15 each year for approval of the Annual Average Avoided Cost. The current avoided kWh cost, once approved by the ACC, will be available at every Cooperative office and will continue in effect until the next AAAC is effective, which shall be December 1st following the annual filing of an updated Net Metering Service Tariff, unless suspended or otherwise ordered by the Commission, prior thereto.

MOHAVE ELECTRIC COOPERATIVE, INC.  
Bullhead City, Arizona

SCHEDULE NMS  
NET METERING SERVICE

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2. **Calendar Year** means January 1 through December 31, for the purpose of determining the billing credit for the balance of any credit due in excess of amounts owed by the customer to the Cooperative.
3. **Combined Heat and Power** or **CHP** means a system that generates electricity and useful thermal energy in a single, integrated system such that the useful power output of the facility plus one-half the useful thermal energy output during any 12-month period must be no less than 42.5 percent of the total energy input of fuel to the facility.
4. **Customer Supply** means energy (kWh) from a customer-owned Net Metering Facility that exceeds the customer's load at a point in time and is fed back into the Cooperative's electric system, as metered by the Cooperative.
5. **Customer Purchase** means energy (kWh) that is provided from the Cooperative to the customer to serve the load that is not being served by a customer-owned Net Metering Facility, as metered by the Cooperative.
6. **Excess Generation** means the Customer Supply (kWh) less the Customer Purchase (kWh) over a monthly billing period. For time-of-use rates the Excess Generation corresponding to the on and off peak periods is computed for on-peak and off-peak periods over the monthly billing period. (Not to be less than zero.)
7. **Firm Power** means power available, upon demand, at all times (except for forced outages) during the Contract Period from the customer's facilities with an expected or demonstrated reliability which is greater than or equal to the average reliability of the Cooperative's firm power sources.
8. **Fuel Cell** means a device that converts the chemical energy of a fuel directly into electricity without intermediate combustion or thermal cycles. The source of the chemical reaction must be from Renewable Resources.
9. **Net Metering Facility** means a facility for the production of electricity that:
  - a. Is operated by or on behalf of the customer and is located on the customer's premises;
  - b. Is intended to provide part or all of the customer's requirements for electricity;
  - c. Uses Renewable Resources, a Fuel Cell or CHP to generate electricity;
  - d. Has a generating capacity less than or equal to 125% of the customer's total connected load, or in the absence of customer load data, capacity less than or equal to the customer's electric service drop capacity; and
  - e. Is interconnected with and can operate in parallel with the Cooperative's existing distribution system.

The customer's 125% total connected load limit shall be determined:

- a. In the absence of demand data (for residential and small business) the highest 12 months (Calendar Year) kWh consumption in the previous three years will be divided by 2190 (to

MOHAVE ELECTRIC COOPERATIVE, INC.  
Bullhead City, Arizona

**SCHEDULE NMS  
NET METERING SERVICE**

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- determine the 100% capacity level in kW which will achieve a “net zero” home or business) and multiplied by 125%.
- b. For customers with a demand history it will be 125% of the highest demand in the most current 12 month period.
10. **Partial Requirements Service** means electric service provided to a customer that has an interconnected Net Metering Facility whereby the output from its electric generator(s) first supplies its own electric requirements and any excess energy (over and above its own requirements at any point in time) is then provided by the Cooperative. The Cooperative supplies the customer’s supplemental electrical requirements (those not met by their own generation facilities). This configuration may also be referred to as the “parallel mode” of operation.
11. **Renewable Resource** means natural resources that can be replenished by natural processes, including biomass, biogas, geothermal, hydroelectric, solar or wind as defined in A.A.C. R14-2-2302.
12. **Standard Retail Rate Schedule** means any of the Cooperative’s retail rate schedules with metered kWh charges.
13. **Time Periods** – Mountain Standard Time shall be used in the application of this rate schedule. Because of potential differences of the timing devices, there may be some variation in the timing for the pricing periods. In most instances the variation should not exceed 15 minutes. On-peak and off-peak time periods will be determined by the applicable Standard Retail Rate Schedule.

**Metering**

Customers served under this Tariff will require a bidirectional meter that will register and accumulate the net electrical requirements of the customer and shall have other capabilities similar to meter that is being replaced or that would be installed for the service (e.g., smart metering capabilities). The Cooperative will install such a meter at the customer’s Net Metering Facility if proper metering is not already present. The incremental metering costs for bidirectional metering and the facility meter will be incurred by the Cooperative.

**Billing**

A. During the billing period for:

1. Customer Purchases in excess of Customer Supply

Cooperative shall bill the customer for the net kWh supplied by the Cooperative in accordance with the Cooperative’s applicable Standard Retail Rate Schedule.

2. Customer Supply in excess of Customer Purchases (Excess Generation)

MOHAVE ELECTRIC COOPERATIVE, INC.  
Bullhead City, Arizona

**SCHEDULE NMS  
NET METERING SERVICE**

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Cooperative shall credit the customer the Excess Generation kWh in subsequent billing periods to reduce the kWh supplied (not kW or kVa demand or customer charges).

- B. For customers taking service under time-of-use rates, Customer Supply and Customer Purchases will be segmented by on-peak and off-peak periods. Excess Generation kWh credits will be applied to the time-of-use periods in which the kWh were generated by the customer.
- C. Basic Service Charges and Demand charges (either metered or contract) and all other elements of the Cooperative's applicable Standard Retail Rate Schedule will continue to apply in full, except that the monthly "Customer Charge" for the applicable Optional Time-of-Use Rate will be applied whether or not the customer has elected the Time-of-Use rate.
- D. For the last billing period of each Calendar Year or for the last billing period at the time the customer discontinues taking service under this rate schedule:

The Cooperative shall issue a billing credit to the customer for any remaining Excess Generation balance. In the event the customer's electric service is terminated, after applying a billing credit for any Excess Generation up to the amount the customers owe the Cooperative, the Cooperative shall issue a check for the remaining value of the Excess Generation balance. The payment or credit will be determined at the Cooperative's Annual Average Avoided Cost, which shall be updated annually and are as specified below:

Annual Purchase Rate (¢/kWh): \$0.0338

Any payment for Firm Power will be pursuant to a separate contract.

- E. An Administrative Charge may be charged by the Cooperative to collect new or additional costs the Cooperative incurs associated with the provision of Net Metering service (such as additional data communication access and billing costs) upon filing with and approval of such charge by the Arizona Corporation Commission pursuant to A.A.C. R14-2-2305.

**Contract Period**

Any applicable contract period(s) will be set forth in an Agreement between the customer and the Cooperative.

**Mohave Electric Cooperative, Inc.**  
**Cost of Power Recitation**  
**For the Year 2011**



**kWh Purchased**

**713,365,020**

	KWh	Total \$ Costs 2011	True Avoided Cost
<b>AEPCo</b>			
Member Billing Energy	678,430,000	21,824,059.05	21,824,059.05
Power Cost Adjustor	678,430,000	868,713.99	868,713.99
<b>TOTAL AMOUNTS PAID TO AEPCO</b>		<b>22,692,773.04</b>	<b>22,692,773.04</b>
Peak 197.899 MW			
Average Allocated 142.24 MW			
<b>WESTERN AREA POWER ADMINISTRATION</b>			
Parker Davis Power System			
WALC Control Area Sales-Contract 06-DSR-11749		0.00	0.00
<b>TOTAL AMOUNTS PAID TO WESTERN AREA POWER ADMINISTRATION</b>		<b>0.00</b>	<b>0.00</b>
<b>POWEREX</b>			
CZH528	2,073,000	119,612.10	119,612.10
<b>TOTAL AMOUNTS PAID TO POWEREX</b>		<b>119,612.10</b>	<b>119,612.10</b>
<b>AES</b>			
	32,862,020	1,288,318.00	1,288,318.00
<b>TOTAL AMOUNTS PAID TO AES</b>		<b>1,288,318.00</b>	<b>1,288,318.00</b>
<b>OTHER (WSPP)</b>			
	0	0.00	0.00
<b>TOTAL AMOUNTS PAID TO OTHER (WSPP)</b>		<b>0.00</b>	<b>0.00</b>
<b>TOTAL ALL POWER</b>		<b>24,100,703.14</b>	<b>24,100,703.14</b>
<b>Avoided Cost in \$/KWh</b>		<b>0.03378</b>	<b>0.0338</b>